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Paul Brings Foreign Trade Zone to District

Surfside, TX - This month, with the help of Congressman Ron Paul, the Dow Chemical Company was awarded a Special Purpose Subzone at the Port of Freeport in Brazoria County by the U.S. Foreign Trade Zones Board. The subzone will exempt Dow from customs duty payments on certain foreign products used in its exports, while rationalizing duty costs on products Dow produces for the U. S. market and stimulating economic growth in the area. Paul said he is excited about the benefits this subzone will bring to Texas. "I am pleased to have been a part of this application process," said Paul. "This trade subzone will be of great benefit not only to Dow, but also to Brazoria County by boosting economic development and creating jobs. This is another step toward removing the barriers that keep many U.S. companies from competing abroad." Foreign-Trade Zones are designated sites licensed by the Foreign-Trade Zones Board (part of the Commerce department) where special Customs procedures may be used. Subzone status was granted to Port Freeport, the zone Grantee for Brazoria County, on behalf of Dow. Duty-free treatment is given to items that are re-exported, and duty payments are deferred or reduced on items sold in the U. S. market. This neutralizes customs advantages available to overseas producers who compete with domestic companies. Phyllis Saathoff, Managing Director at the Port, said, "Port Freeport would like to thank Congressman Paul for supporting the application. Through the Foreign-Trade Zones Program, Port Freeport has served several Brazoria County companies involved in international trade, and the Port was pleased to sponsor the subzone application for Dow. The Port looks forward to Congressman Paul's continued support of Foreign-Trade Zone No. 149 and the petrochemical industry in the 14th District." The FTZ Board report said the ultimate effect of the subzone is to preserve domestic employment. The report also said that FTZ procedures would help the Dow plant in reducing its overall production costs so that it can better compete against foreign petrochemical products. The FTZ case analyst concluded that the use of zone procedures for the Dow plant would help the facility maintain its international competitiveness. Paul said, "This foreign trade subzone will help facilitate international trade for Dow at the Port of Freeport. It will encourage exports and encourage the retention of domestic activity. Most importantly, though, it will help economic development in the area and create new jobs for the citizens of the 14th District."

